

State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director

JOHN R. BAZA Division Director

Inspection Report Minerals Regulatory Program September 9, 2009

Weather: Partly cloudy, 80s

Reviewed:

Mine Name: Lisbon Valley Operator Name: Lisbon Valley Mining Company	Permit number: M/037/0088 Inspection Date: August 26, 2009 Time: 1:00-4:00 PM
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Inspector(s): Paul Baker

Other Participants: Lantz Indergard

Mine Status: Active

Enforcement Comment Evaluated **Elements of Inspection** 1. Permits, Revisions, Transfer, Bonds, Permit Fees 2. Public Safety (shafts, adits, trash, signs, highwalls) 3. Protection of Drainages / Erosion Control 4. Deleterious Material 5. Roads (maintenance, surfacing, dust control, safety) 6. Concurrent Reclamation 7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) 8. Soils 9. Revegetation 10. Other

Purpose of Inspection:

I wanted to se the results of last year's revegetation efforts. The operator has recently re-started mining operations using run-of-mine ore, and I wanted to see how that was progressing.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds, Permit Fees The permit fee has been paid for 2009-2010.

The Division holds a reclamation surety in the amount of \$6,076,888.00. The Division and the BLM have recently been working to re-calculate the bond to ensure it is adequate, and the Division has now received confirmation from the BLM that they consider the amount to be sufficient to reclaim the site.

The Division and the BLM are working on an amendment where the operator would be allowed to backfill the Sentinel East Pit with waste.

9. Revegetation

The operator seeded several areas last year, and we looked at some of these to see how successful revegetation efforts have been. The road between the county road and waste dump B was roughened and seeded, and the operator has now re-established a road across this area. The road is narrower than the old road, so the sides and outslopes have not been re-disturbed. The entire area was nicely roughened. Portions of these areas have sandstone-derived growth media, and parts have more shale and clay. The

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areas with sandstone have a moderate amount of grass and fourwing saltbush, but the areas with shale and clay have little vegetation. There are not a lot of weeds, but there is some Russian thistle.

Soil was spread on top of waste dump C and this area was seeded last fall. This entire area is covered with a lot of Russian thistle, but on close examination, there are also a lot of grass seedlings. Many of these seedlings are dry and may be dead, but many are still alive.

We also looked at the wetland that was built to treat water coming from the maintenance shop and adjacent areas. Mr. Indergard had planted a bunch of coyote willows, but they have all died. There may have been too much water for the willows. Most of the remaining vegetation is cattails and bulrushes, but there is a little Kentucky bluegrass.

10. Other

The operator would like to build a new road from the GTO Pit to the leach pad. The road would run next to the water tank and would greatly shorten the haul distance. There is a draw on the north side of the water tank in which the operator could place waste material and lessen the grade. The operator needs to submit an amendment to show this haul road and the waste that would be placed in the draw.

We went to the bottom of the Sentinel West Pit to see the pond that has developed. We also went to the GTO Pit to see the results of a blast that was done about the time I arrived at the site. The operator is trying to use blasting to break up the ore because the crushers are not being used.

Conclusions and Recommendations:

The operator may want to consider re-seeding the sides of the haul road between the county road and waste dump B. While there is some desirable vegetation in this area, it is limited. If the area is re-seeded, I suggest doing it at a reduced rate and possibly annually for a few years.

The operator was considering re-seeding the top of waste dump C, but I recommend waiting at least a year to evaluate the success of last year's seeding.

Inspector's Signature

PBB

cc: Lantz Indergard, Lisbon Valley Mining

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Photo 1. Vegetation next to the haul road between waste dump B and the county road.



Photo 2. The top of waste dump C. There is a lot of Russian thistle.



Photo 3. Among the Russian thistle on the top of waste dump C there is a fair amount of grass (which is difficult to see).



Photo 4. The small wetland that was built to treat waste water from the shop and other adjacent buildings.

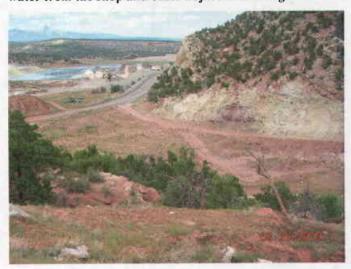


Photo 5. The draw below the water tank where the operator is considering placing a new haul road from the GTO Pit to the leach pad.

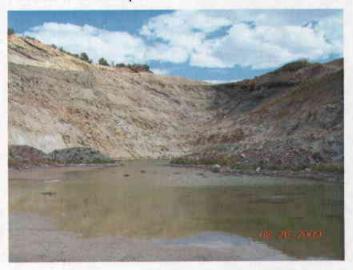


Photo 6. The pond at the bottom of the Sentinel West Pit.